



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Des Peres Contract License Office

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| Background | The Department of Revenue (DOR) has appointed 182 contract agents to operate contract license offices. These offices issue driver licenses; titles for motor vehicles, trailers, and marine craft; and license plates. Contract agents are compensated through transaction-based processing fees. Under a state law, which became effective in 2009, the State Auditor may audit contract license offices. |
| Prepayment Void and Override Transactions | Prepayment void transactions occur when transactions are voided before payment is made, such as when the customer lacks sufficient funds or the entry has incorrect information. Override transactions occur after the point prepayment void transactions can be processed and are limited to entries with a misspelled name or the waiver of a fee. DOR policy requires that license office management review prepayment void transactions and override transactions, but the office manager did not document approval for 4 of 14 (29 percent) void transactions that occurred from April 1 to April 4, 2013, and license office management did not review the 4 override transactions processed from April 2 to April 4, 2013. |
| Accounting Controls and Procedures | The license office did not always accurately record the method of payment (cash, check, or credit card) and did not reconcile the composition of monies received to deposits. Our review of three deposits found cash payments recorded as check payments and check payments recorded as cash payments. |
| Contract Compliance | The license office does not always accurately update inventory records on a daily basis as required by the DOR agent contract. |

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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